

**MOR-1****UNITED STATES BANKRUPTCY COURT**

CASE NAME: Watson Grinding and Manufacturing Co.  
CASE NUMBER: 20-30967  
PROPOSED PLAN DATE: Unknown

PETITION DATE: 2/6/2020  
DISTRICT OF TEXAS: Southern  
DIVISION: Houston

**MONTHLY OPERATING REPORT SUMMARY FOR****JULY 2020**

MONTH	02/01/20-02/29/20	03/01/20-03/31/20	04/01/20-04/30/20	05/01/20-05/31/20	06/01/20-06/30/20	07/01/20-07/31/20
REVENUES (MOR-6)	0.00	18,220.00	35,200.00	11,746.00	0.00	0.00
INCOME BEFORE INT; DEPREC./TAX (MOR-6)	-368,860.09	-406,099.37	-281,611.34	-219,236.21	-168,999.86	-338,769.04
NET INCOME (LOSS) (MOR-6)	-374,402.09	243,900.63	-281,611.34	44,241.27	-168,999.86	-648,346.04
PAYMENTS TO INSIDERS (MOR-9)	59,221.49	33,601.98	33,601.98	22,931.10	6,130.11	0.00
PAYMENTS TO PROFESSIONALS (MOR-9)	0.00	0.00	0.00	108,706.95	566,788.60	116,888.85
TOTAL DISBURSEMENTS (MOR-7)	375,719.02	159,067.84	142,305.17	143,324.69	636,925.83	3,319,004.77

\*\*\*The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee\*\*\*

REQUIRED INSURANCE MAINTAINED		EXP. DATE	CIRCLE ONE	
AS OF SIGNATURE DATE			Yes	No
CASUALTY	YES (x) NO ( )	11/30/2020	Yes	No
LIABILITY	YES (x) NO ( )	11/30/2020	Yes	No
VEHICLE	YES (x) NO ( )	11/30/2020	Yes	No
WORKER'S	YES (x) NO ( )	11/30/2020	Yes	No
OTHER	YES (x) NO ( )	11/30/2020	Yes	No

Are all accounts receivable being collected within terms? Yes No  
Are all post-petition liabilities, including taxes, being paid within terms? Yes No  
Have any pre-petition liabilities been paid? Yes No  
If so, describe \_\_\_\_\_  
Are all funds received being deposited into DIP bank accounts? Yes No \*\*  
Were any assets disposed of outside the normal course of business? Yes No  
If so, describe \_\_\_\_\_  
Are all U.S. Trustee Quarterly Fee Payments current? Yes No  
What is the status of your Plan of Reorganization? In process

ATTORNEY NAME: Heather McIntyre  
FIRM NAME: HughesWattersAskanase  
ADDRESS: 1201 Louisiana St  
28th Floor  
CITY, STATE, ZIP: Houston, TX 77002  
TELEPHONE/FAX: 713-328-1920

**MOR-1**

I certify under penalty of perjury that the following complete  
Monthly Operating Report (MOR), consisting of MOR-1 through  
MOR-9 plus attachments, is true and correct.

SIGNED X

(ORIGINAL SIGNATURE)

Janet Northrup, Trustee

(PRINT NAME OF SIGNATORY)

DATE:

9/9/20

Reservation of Rights: The Chapter 11 Trustee reserves all rights to amend or supplement the MOR in all respects, as may be necessary or appropriate, but shall be under no obligation to do so. Nothing contained in this MOR shall constitute a waiver of any of the Trustee's rights or an admission with respect to its Chapter 11.

Upon appointment of Trustee, Chapter 11 Trustee is using Trustee bank account.

\*\* Some regularly recurring journal entries have not been posted as of 07.31.2020, certain accruals have not been recorded based on the timing (due date) for the reports.

CASE NAME: Watson Grinding and Manufacturing Co.  
CASE NUMBER: 20-30967

### COMPARATIVE BALANCE SHEETS

ASSETS	FILING DATE*	MONTH Feb 2020	MONTH Mar 2020	MONTH Apr 2020	MONTH May 2020	MONTH June 2020	MONTH July 2020
<b>CURRENT ASSETS</b>							
Cash - Operating/Payroll		879,294.94	792,002.28	1,370,501.15	1,375,065.51	1,522,242.56	1,400,842.77
Cash - Insurance Proceeds FN1   FN6		3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00
Accounts Receivable, Net		2,265,107.48	1,521,243.55	1,503,905.55	1,402,335.55	1,383,161.55	1,317,164.33
Inventory: Lower of Cost or Market							
Prepaid Expenses FN7		393,085.60	393,085.60	393,085.60	393,085.60	393,085.60	196,542.80
Prepaid Insurances FN2   FN7		226,068.40	226,068.40	226,068.40	226,068.40	226,068.40	113,034.20
Deposits FN3		317,423.10	317,423.10	317,423.10	317,423.10	317,423.10	317,423.10
Investments							
Insurance		26,000,000.00	26,000,000.00	26,000,000.00	26,000,000.00	26,000,000.00	26,000,000.00
Other FN5		10,092.22	9,783.96	9,783.96	9,783.96	9,783.96	9,783.96
<b>TOTAL CURRENT ASSETS</b>		<b>33,091,071.74</b>	<b>32,259,606.89</b>	<b>32,820,767.76</b>	<b>32,723,762.12</b>	<b>32,851,765.17</b>	<b>32,730,365.38</b>
PROPERTY, PLANT & EQUIP. @ COS1 FN4		4,239.99	4,239.99	4,239.99	4,239.99	4,239.99	4,239.99
Less Accumulated Depreciation		0.00	0.00	0.00	0.00	0.00	0.00
<b>NET BOOK VALUE OF PP &amp; E</b>		<b>4,239.99</b>	<b>4,239.99</b>	<b>4,239.99</b>	<b>4,239.99</b>	<b>4,239.99</b>	<b>4,239.99</b>
<b>OTHER ASSETS</b>							
1.							
2.							
3.							
4.							
<b>TOTAL ASSETS</b>		<b>\$33,095,311.73</b>	<b>\$32,263,846.88</b>	<b>\$32,825,007.75</b>	<b>\$32,728,002.11</b>	<b>\$32,856,005.16</b>	<b>\$32,734,605.37</b>

\* Per Schedules and Statement of Affairs

MOR-2

Revised 07/01/98

FN1 Received on 02/03/2019 by United Fire Lloyds (General Liability - \$2,000,000 & Automobile Liability - \$1,000,000)  
FN2 Prepaid Insurance - Al Thurmond Agency, Inc.  
FN3 Equipment Deposit - Dunn's Testing  
FN4 (2) 2010 Crown Victoria, 2001 F-250, and 2006 GMC Utility Truck - Appraisal Value  
FN5 Employee Receivable (\$2,095.22) and Other Receivable (\$7,997.00)  
FN6 All funds from TCB accounts were transferred to Trustee Account in July 2020; \$3.1mm was retained by TCB to payoff Secured Debt.  
FN7 Released 6 months of Prepaid Insurances and Prepaid Expenses

CASE NAME: Watson Grinding and Manufacturing Co.  
CASE NUMBER: 20-30967

## COMPARATIVE BALANCE SHEETS

LIABILITIES & OWNER'S EQUITY	FILING DATE*	MONTH Feb 2020	MONTH Mar 2020	MONTH Apr 2020	MONTH May 2020	MONTH June 2020	MONTH July 2020
LIABILITIES							
POST-PETITION LIABILITIES(MOR-4)	0.00	384.00	269,745.90	192,044.57	133,981.09	118,862.49	331,453.99
PRE-PETITION LIABILITIES							
Notes Payable - Secured FN2   FN7	3,218,120.00	3,218,120.00	3,218,120.00	3,218,120.00	3,218,120.00	3,218,120.00	57,056.62
Priority Debt - Unsecured FN3	144,921.78	144,921.78	144,921.78	144,921.78	144,921.78	144,921.78	144,921.78
Federal Income Tax							
FICA/Withholding							
Unsecured Debt FN4   FN5	3,075,032.64	3,059,799.23	3,059,799.23	3,059,799.23	3,059,799.23	3,059,799.23	3,059,799.23
Other							
TOTAL PRE-PETITION LIABILITIES	6,438,074.42	6,422,841.01	6,422,841.01	6,422,841.01	6,422,841.01	6,422,841.01	3,261,777.63
TOTAL LIABILITIES	6,438,074.42	6,423,225.01	6,692,586.91	6,614,885.58	6,556,822.10	6,541,703.50	3,593,231.62
OWNER'S EQUITY (DEFICIT)							
PREFERRED STOCK							
COMMON STOCK							
ADDITIONAL PAID-IN CAPITAL							
RETAINED EARNINGS: Filing Date	26,657,237.31	26,657,237.31	26,657,237.31	26,657,237.31	26,657,237.31	26,657,237.31	26,657,237.31
RETAINED EARNINGS: Post Filing Date	0.00	-374,402.09	-130,501.46	-412,112.80	-367,871.53	-536,871.39	-1,185,217.43
RETAINED EARNINGS: Pre / Post Filing Date Adjustments FN1   FN6	0.00	-442,213.35	-394,315.01	-132,007.98	9,817.28	72,535.95	40,772.10
TOTAL OWNER'S EQUITY (NET WORTH)	26,657,237.31	25,840,621.87	26,132,420.84	26,113,116.53	26,299,183.06	26,192,901.87	25,512,791.98
TOTAL LIABILITIES & OWNERS EQUITY	\$33,095,311.73	\$32,263,846.88	\$32,825,007.75	\$32,728,002.11	\$32,856,005.16	\$32,734,605.37	\$29,106,023.60

\* Per Schedules and Statement of Affairs

## MOR-3

Revised 07/01/98

		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>FN1</b>	Adjustments such as payments of pre-petition debt, reduction of actual post petition debt, and other general operational adjustments							
<b>FN2</b>	Texas Capital Bank Borrowing Base Line of Credit (\$3,000,000.00); Harris County Tax Assessor-Collector (\$218,120.00)							
<b>FN3</b>	Texas Comptroller of Public Accounts (\$86,606.38); Accrued PTO (\$58,315.40)							
<b>FN4</b>	Significant number Litigation Claims have been filed but the pending amounts are Unknown at this time, thus excluded from the total							
<b>FN5</b>	Cash Collateral Budget approved by the court to pay Business Insurance premium - Texas Mutual Insurance Company (\$5,899.41); UFG Insurance (\$9,334.00)							
<b>FN6</b>	Accounts Receivable based off of the 01.23.2020 Trial Balance but cash as of the filing date 02.06.2020 --> AR Payments received between those (2) dates: January Electronic Payments (\$187,081.90); January Lockbox Payments (\$42,644.38); February Electronic Payments (\$94,082.35); February Lockbox Payments (\$80,365.00)							
<b>FN7</b>	All funds from TCB accounts were transferred to Trustee Account in July 2020; \$3.1mm was retained by TCB to payoff Secured Debt.							



CASE NAME: Watson Grinding and Manufacturing Co.  
CASE NUMBER: 20-30967

### SCHEDULE OF POST-PETITION LIABILITIES

	MONTH Feb 2020	MONTH Mar 2020	MONTH Apr 2020	MONTH May 2020	MONTH June 2020	MONTH July 2020
<b>TRADE ACCOUNTS PAYABLE</b>	384.00	789.00	6,629.57	6,862.49	28,862.49	28,862.49
<b>TAX PAYABLE</b>						
Federal Payroll Taxes						
State Payroll Taxes						
Ad Valorem Taxes						
Other Taxes						
<b>TOTAL TAXES PAYABLE</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>SECURED DEBT POST-PETITION</b>						
<b>ACCRUED INTEREST PAYABLE</b>						
<b>ACCRUED PROFESSIONAL FEES*</b>						
<b>OTHER ACCRUED LIABILITIES</b>						
1. Jones Murray and Beatty LLP <b>FN1   FN2</b>	0.00	75,000.00	75,000.00	50,000.00	50,000.00	50,000.00
2. UCC Counsel <b>FN1   FN2</b>	0.00	100,000.00	100,000.00	70,000.00	40,000.00	90,000.00
3. MACCO Restructuring Group <b>FN2</b>	0.00	93,956.90	10,415.00	7,118.60	0.00	6,205.00
4. Hughes Watters Askanase	0.00	0.00	0.00	0.00	0.00	140,025.50
5. Cummings & Houston	0.00	0.00	0.00	0.00	0.00	16,361.00
6. US Trustee Fees (Unpaid) <b>FN3</b>	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL POST-PETITION LIABILITIES (MOR-3)</b>	<b>\$384.00</b>	<b>\$269,745.90</b>	<b>\$192,044.57</b>	<b>\$133,981.09</b>	<b>\$118,862.49</b>	<b>\$331,453.99</b>

\*Payment requires Court Approval

#### MOR-4

Revised 07/01/98

**FN1** Amount for March, April, May, June, and July 2020 is an estimate

**FN2** Aggregated professional / legal fees beyond retainers

**FN3** US Trustee Fees (\$4,875.00) were paid on check number 068767 and mailed on 4/22/2020 but had not cleared the bank as of the end of April

CASE NAME: Watson Grinding and Manufacturing Co.CASE NUMBER: 20-30967

## AGING OF POST-PETITION LIABILITIES

MONTH

July 2020

DAYS	TOTAL	TRADE ACCOUNTS	FEDERAL TAXES	STATE TAXES	AD VALOREM, OTHER TAXES	OTHER
0-30	0.00	0.00				
31-60	22,000.00	22,000.00				
61-90	1,641.62	1,641.62				
91+	5,220.87	5,220.87				
TOTAL	\$28,862.49	\$28,862.49	\$0.00	\$0.00	\$0.00	\$0.00

## AGING OF ACCOUNTS RECEIVABLE

MONTH	Feb 2020	Mar 2020	Apr 2020	May 2020	June 2020	July 2020
0-30 DAYS	0.00	18,220.00	35,200.00	11,746.00	0.00	0.00
31-60 DAYS	335,266.21	0.00	18,220.00	35,200.00	11,746.00	11,746.00
61-90 DAYS	1,088,836.90	314,723.21	0.00	0.00	35,200.00	35,200.00
91+ DAYS	147,140.44	1,170,962.34	1,348,915.55	1,336,215.55	1,336,215.55	1,270,218.33
TOTAL	\$1,571,243.55	\$1,503,905.55	\$1,402,335.55	\$1,383,161.55	\$1,383,161.55	\$1,317,164.33

MOR-5

Revised 07/01/98

CASE NAME: Watson Grinding and Manufacturing Co.

CASE NUMBER: 20-30967

## STATEMENT OF INCOME (LOSS)

	MONTH Feb 2020	MONTH Mar 2020	MONTH Apr 2020	MONTH May 2020	MONTH June 2020	MONTH July 2020	FILING TO DATE
REVENUES (MOR-1)	0.00	18,220.00	35,200.00	11,746.00	0.00	0.00	65,166.00
TOTAL COST OF REVENUES	225,281.58	64,301.31	56,818.74	45,019.53	51,838.07	0.00	443,259.23
GROSS PROFIT	-225,281.58	-46,081.31	-21,618.74	-33,273.53	-51,838.07	0.00	-378,093.23
<b>OPERATING EXPENSES:</b>							
Selling & Marketing	0.00	500.00					500.00
General & Administrative	3,345.42	2,345.89	3,477.23	5,668.01	1,200.00	19,865.30	35,901.85
Insiders Compensation	59,221.49	33,601.98	33,601.98	23,276.98	6,130.11		155,832.54
Payroll & Payroll Taxes	78,497.02	51,387.22	27,793.04	28,371.74	19,126.16	16,132.24	221,307.42
Professional Fees FN2	0.00	95,126.90	12,865.00	7,118.60	0.00	22,566.00	137,676.50
Legal Fees FN2	0.00	175,000.00	180,930.00	120,000.00	90,000.00	280,025.50	845,955.50
Bank Fees	2,514.58	2,056.07	1,325.35	1,527.35	705.52	180.00	8,308.87
Commissions	0.00						0.00
<b>TOTAL OPERATING EXPENSES</b>	<b>143,578.51</b>	<b>360,018.06</b>	<b>259,992.60</b>	<b>185,962.68</b>	<b>117,161.79</b>	<b>338,769.04</b>	<b>1,405,482.68</b>
INCOME BEFORE INT, DEPR/TAX (MOR-1)	-368,860.09	-406,099.37	-281,611.34	-219,236.21	-168,999.86	-338,769.04	-1,783,575.91
INTEREST EXPENSE	5,542.00						5,542.00
DEPRECIATION FN3						309,577.00	309,577.00
OTHER (INCOME) EXPENSE* FN1		-650,000.00		-263,477.48			-913,477.48
OTHER ITEMS**							0.00
<b>TOTAL INT, DEPR &amp; OTHER ITEMS</b>	<b>5,542.00</b>	<b>-650,000.00</b>	<b>0.00</b>	<b>-263,477.48</b>	<b>0.00</b>	<b>309,577.00</b>	<b>-598,358.48</b>
NET INCOME BEFORE TAXES	-374,402.09	243,900.63	-281,611.34	44,241.27	-168,999.86	-648,346.04	-1,185,217.43
FEDERAL INCOME TAXES							0.00
<b>NET INCOME (LOSS) (MOR-1)</b>	<b>(\$374,402.09)</b>	<b>\$243,900.63</b>	<b>(\$281,611.34)</b>	<b>\$44,241.27</b>	<b>(\$168,999.86)</b>	<b>(\$648,346.04)</b>	<b>(\$1,185,217.43)</b>

Accrual Accounting Required, Otherwise Footnote with Explanation.

\* Footnote Mandatory.

\*\* Unusual and/or infrequent item(s) outside the ordinary course of business requires footnote.

**MOR-6**

Revised 07/01/98

**FN1** Insurance Payment  
**FN2** Aggregated professional / legal fees beyond retainers  
**FN3** Released 6 months of Prepaid Insurances and Prepaid Expenses



CASE NAME: Watson Grinding and Manufacturing Co.  
CASE NUMBER: 20-30967

CASH RECEIPTS AND DISBURSEMENTS	MONTH Feb 2020	MONTH Mar 2020	MONTH Apr 2020	MONTH May 2020	MONTH June 2020	MONTH July 2020	FILING TO DATE
1. CASH-BEGINNING OF MONTH	\$3,879,294.94	\$3,794,011.11	\$4,370,501.27	\$4,375,065.51	\$4,522,242.56	\$4,400,842.77	\$3,879,294.94
RECEIPTS:							
2. CASH SALES							0.00
3. COLLECTION OF ACCOUNTS RECEIVABLE	290,435.19	85,558.00	146,869.41	27,024.26	515,526.04	65,997.22	1,131,410.12
4. LOANS & ADVANCES (attach list)							0.00
5. SALE OF ASSETS							0.00
6. CONTRIBUTIONS							0.00
7. OTHER (Insurance Payment) FN2		650,000.00		263,477.48			913,477.48
TOTAL RECEIPTS**	290,435.19	735,558.00	146,869.41	290,501.74	515,526.04	65,997.22	2,044,887.60
(Withdrawal) Contribution by Individual Debtor MFR-2*							0.00
DISBURSEMENTS:							
7a. NET PAYROLL	78,497.02	51,387.22	27,793.04	28,371.74	19,126.16	16,132.24	221,307.42
7b. INSIDER COMPENSATION	59,221.49	33,601.98	33,601.98	22,931.10	6,130.11	0.00	155,486.66
8. PAYROLL TAXES PAID							0.00
9. SALES, USE & OTHER TAXES PAID							0.00
10. SECURED/RENTAL/LEASES							0.00
11. UTILITIES & TELEPHONE							0.00
12. INSURANCE	15,233.41	4,110.37	8,220.74	23,715.37	11,610.37	5,872.00	68,762.26
13. INVENTORY PURCHASES							0.00
14. VEHICLE EXPENSES	2,650.00						2,650.00
15. TRAVEL & ENTERTAINMENT							0.00
16. REPAIRS, MAINTENANCE & SUPPLIES							0.00
17. ADMINISTRATIVE & SELLING	207,846.27	69,968.27	72,689.41	63,431.48	33,270.59	14,173.30	461,379.32
18. INTEREST EXPENSE	12,270.83						12,270.83
TOTAL DISBURSEMENTS FROM OPERATIONS	375,719.02	159,067.84	142,305.17	138,449.69	70,137.23	36,177.54	921,856.49
19. PROFESSIONAL FEES					566,788.60	116,888.85	683,677.45
20. U.S. TRUSTEE FEES				4,875.00		4,875.00	9,750.00
21. TEXAS CAPITAL BANK - SECURED DEBT FN3						3,161,063.38	3,161,063.38
22. OTHER REORGANIZATION EXPENSES (attach list)							0.00
TOTAL DISBURSEMENTS**	375,719.02	159,067.84	142,305.17	143,324.69	636,925.83	3,319,004.77	4,776,347.32
23. NET CASH FLOW	-85,283.83	576,490.16	4,564.24	147,177.05	-121,399.79	-3,253,007.55	-2,731,459.72
24. CASH - END OF MONTH (MOR-2) FN1	\$3,794,011.11	\$4,370,501.27	\$4,375,065.51	\$4,522,242.56	\$4,400,842.77	\$1,147,835.22	\$1,147,835.22

MOR-7

\* Applies to Individual debtors only

\*\*Numbers for the current month should balance (match)

RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-8

Revised 07/01/98

FN1 Variance due to Petty Cash / Cash on Hand - \$2,008.83

FN2 Insurance Payment

FN3 All funds from TCB accounts were transferred to Trustee Account in July 2020; \$3.1mm was retained by TCB to payoff Secured Debt.

CASE NAME: Watson Grinding and Manufacturing Co.  
CASE NUMBER: 20-30967

**CASH ACCOUNT RECONCILIATION**  
**MONTH OF** July 2020

BANK NAME	Texas Capital Bank	Texas Capital Bank	Compass Bank	Cash on Hand	Texas Capital Bank	Texas Capital Bank	Independent Bank	
ACCOUNT NUMBER	Acct Ending 0594	Acct Ending 0578	Acct Ending 6575	Petty Cash	Acct Ending 4372	Acct Ending 4380	Acct Ending 0967	
ACCOUNT TYPE	OPERATING	PAYROLL	OPERATING	Cash	Insurance Proceeds 1	Insurance Proceeds 2	TRUSTEE ACCOUNT	TOTAL
BANK BALANCE	0.00	0.00	0.00	2,008.83	0.00	0.00	1,145,826.39	1,147,835.22
DEPOSITS IN TRANSIT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OUTSTANDING CHECKS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADJUSTED BANK BALANCE	\$0.00	\$0.00	\$0.00	\$2,008.83	\$0.00	\$0.00	\$1,145,826.39	\$1,147,835.22
BEGINNING CASH - PER BOOKS	513,184.11	5,426.48	0.00	2,008.83	3,174,971.25	263,448.73	441,803.37	4,400,842.77
RECEIPTS*	47,840.00	0.00		0.00	0.00	0.00	18,157.22	65,997.22
TRANSFERS BETWEEN ACCOUNTS FN1 (WITHDRAWAL) OR CONTRIBUTION BY INDIVIDUAL DEBTOR MFR-2	-560,864.13	-5,366.48		0.00	-13,847.87	-263,388.73	843,467.21	0.00
CHECKS/OTHER DISBURSEMENTS* FN2	159.98	60.00		0.00	3,161,123.38	60.00	157,601.41	3,319,004.77
ENDING CASH - PER BOOKS	\$0.00	\$0.00	\$0.00	\$2,008.83	\$0.00	\$0.00	\$1,145,826.39	\$1,147,835.22

**MOR-8**

\*Numbers should balance (match) TOTAL RECEIPTS an Revised 07/01/98  
TOTAL DISBURSEMENTS lines on MOR-7

FN1 \$843,467.21: transferred to a Independent Bank held by the appointed Trustee.  
FN2 All funds from TCB accounts were transferred to Trustee Account in July 2020; \$3.1mm was retained by TCB to payoff Secured Debt.



**CASE NAME:** Watson Grinding and Manufacturing Co.  
**CASE NUMBER:** 20-30967

## PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals. Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary).

INSIDERS: NAME/COMP TYPE	MONTH Feb 2020	MONTH Mar 2020	MONTH Apr 2020	MONTH May 2020	MONTH June 2020	MONTH July 2020
1. John Watson	26,395.33	12,260.22	12,260.22	12,260.22	6,130.11	0.00
2. Robert White	16,418.58	10,647.54	10,647.54	5,323.77	0.00	0.00
3. Jason White	16,407.58	10,694.22	10,694.22	5,347.11	0.00	0.00
4. Judy White	0.00	0.00	0.00	0.00	0.00	0.00
5. Betty Sue Watson	0.00	0.00	0.00	0.00	0.00	0.00
6.						
<b>TOTAL INSIDERS (MOR-1)</b>	<b>\$59,221.49</b>	<b>\$33,601.98</b>	<b>\$33,601.98</b>	<b>\$22,931.10</b>	<b>\$6,130.11</b>	<b>\$0.00</b>

PROFESSIONALS	MONTH Feb 2020	MONTH Mar 2020	MONTH Apr 2020	MONTH May 2020	MONTH June 2020	MONTH July 2020
1. Jones Murray and Beatty LLP	0.00	0.00	0.00	0.00	248,640.14	0.00
2. MACCO Restructuring Group	0.00	0.00	0.00	0.00	0.00	0.00
3. Porter Hedges LLP	0.00	0.00	0.00	108,706.95	262,250.42	116,888.85
4. Burns Bowen Blair LLP	0.00	0.00	0.00	0.00	46,847.04	0.00
5. Cummings and Houston LLP	0.00	0.00	0.00	0.00	9,051.00	0.00
6.						
<b>TOTAL PROFESSIONALS (MOR-1)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$108,706.95</b>	<b>\$566,788.60</b>	<b>\$116,888.85</b>

**MOR-9**

*Revised 07/01/98*